

3. It is my understanding that the principal objection to my Plan is that I did list zero dollars owed to Internal Revenue Service, which made a claim for \$33,229.92. I have been

working diligently with my accountant and tax preparer to resolve this issue, and only recently filed past due tax returns, resulting in a debt of no more than \$569. Hopefully, this resolves the issue in regard to the Internal Revenue Service. I should be able to provide the proper documentation and verification at a very early date, and amend my Plan accordingly. Sandy Sullivan of the IRS has advised my attorney that the 2001 returns must be reviewed by a different department of the IRS. She has forwarded the returns accordingly. At this time the proof of claim by the IRS can be amended to approximately \$15,000 and reduced further after the professionally prepared 2001 returns have been reviewed.

4. I and my attorney, have been working diligently to resolve the issue of GRP Financial in regard to interest arrearages owed on my first mortgage. GRP purchased this loan from Option One in May of this year, which to the best of my knowledge, resulted in a misunderstanding in regard to the payments owed. I had made payments under a repayment plan, which I entered into with Option One. I dispute the amount that GRP claims is owed for arrearages of \$14,736.56. Through every method of calculation that I and my attorney could conceive, the amount owed could not exceed approximately \$9,000. This was done by taking the per diem amount provided by GRP times the 365 days between the initiation of the loan and the most recent pay off statement by GRP. We have then added up all the payments I have made and deducted the real estate taxes paid in 2004. I can only conclude that the interest arrearages are in the neighborhood of \$9,000. This issue has been complicated by the fact that I have been trying to refinance the property in order to get out of the Chapter 13 Plan and pay off creditors. However, this effort has been sabotaged. In fact, Option One reports my loan as delinquent, while GRP reports nothing as to the payments that have been made. GRP has expressed a

willingness to reduce the amount of its claim if it is paid in full, but I am unable to obtain a second mortgage.

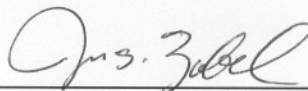
5. The situation is similar with Suburban Exteriors, who pursued a mechanic's lien claim against our property in the amount of \$14,780.82. Because I had not secured employment, I could not afford legal counsel and represented myself in this matter, appearing at a hearing on March 3, 2004. At that hearing, counsel for Suburban Exteriors, Inc. and I agreed to a \$14,000 payment to be made on or before May 1, 2004. Paragraph 4 of the forthcoming Order from that stipulation stated that if we failed to make the payment, Plaintiffs were entitled to the full amount of all attorney's fees incurred in the action, which I had been told were about \$5,000. Paragraph 6 of the Order provided that we should contact counsel for the Plaintiff, Suburban Exteriors, no later than April 28, 2004 if there were concerns with the payment. My wife, who was not at the hearing, did have concerns and I wrote a letter to counsel on April 6, 2004, a copy of which is attached hereto as exhibit A. Counsel for Suburban Exteriors felt my letter was not responsive, and therefore, did not respond and obtained an ex-parte order from the Court indicating that I had not responded and claiming additional attorney's fees resulting in the present claim. I understand the cliché that anyone that represents himself has a fool for a client. However, I did believe that attorney's fees would not exceed \$5,000 and that I was making a proper response according to the Order. Therefore, I believe the judgment of Suburban Exteriors should be limited to \$14,000, or a maximum of \$19,000.

6. I want to address the Trustee's concerns about my good faith in the filing, and the use of best efforts. I have been in the computer software business for 15 years. I was employed by Quest Communications from 2000 to late 2002. In 2002, Quest Communications had come

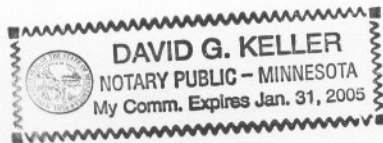
under legal scrutiny and my department was dissolved. At Quest, my base salary was \$125,000, with a bonus/commission plan of at least \$65,000. In 2000, my total income was \$190,000. In 2001, it was \$225,000, and in 2002, it was on track for \$185,000. However, in late 2002, my department was dissolved and I was unable to find a job for 15 months. During that time, the battle over the mechanic's lien ensued, I got behind on my mortgage and was not able to dig myself out without the Bankruptcy Court's assistance.

FURTHER YOUR AFFIANT SAITH NOT.

Dated this 8th day of October, 2004.


John S. Zobel

Subscribed and sworn to before me this 8th day of October, 2004, by John S. Zobel.




Notary Public

Mr. Barton Gernander
Hellmuth & Johnson
10400 Viking Drive
Eden Prairie, MN 55344

April 6, 2004

Re: Suburban Exteriors v. Zobel, et al.

Dear Mr. Gernander:

This is to inform you that my wife does not agree to the term of settlement that you and I agreed to at the Dakota County Courthouse.

Her concern is that the work will not be completed. Specifically, her concern is about the quality of the painting, the fact the paint is peeling and that we don't have the stain used on the house.

Please let me know what flexibility you have.

Sincerely,

John Zobel

Exhibit A

CERTIFICATE OF SERVICE

I hereby certify that on October 8, 2004, a true and correct copy of the Petitioner's
lavit faxed and mailed via United States mail, with postage thereupon to the parties listed
w:

U.S. Trustee
Fax: 612 664-5516

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/s/ David G. Keller
David G. Keller